

# Flash Note

Thursday, February 16, 2023



## Result announcement CY22

### Commercial Banks

## Allied Bank Limited (ABL)

**Earnings:** Allied Bank Limited (ABL) announced its annual result for the year 2022, whereby the Bank reported unconsolidated earnings of PKR 21.2bn (PKR 18.5/share) during CY22 compared to PKR 17.3bn (PKR 15.1/share) last year, an increase of +22.4%/y.

**Dividend/Payout:** The bank announced a final cash dividend of PKR 2.5/share in last quarter. This brings total cash dividend of PKR 8.5/share for the CY22.

**Operating Performance:** During the period under review, the Bank reported net-interest income of PKR 66.7bn (up by +46.4%/y) and non-interest income of PKR 20.7bn (up by +29.7%/y). As a result total revenue of the bank stood at PKR 87.4bn (up by +42%/y). Moreover, ABL recorded operating expenses of PKR 41bn (up by +20.9%/y) that sharply improved bank's cost/income ratio to 47% (last year: 55%). The bank booked a provision reversal of PKR 0.3bn during CY22 compared to reversal of PKR 0.8bn last year. Tax charge for the year came at PKR 25.4bn (effective tax rate of 55%) compared to 39% in CY21.

Exhibit: Financial Highlights Allied Bank Limited (ABL) - Unconsolidated											
Latest result published for CY2022											
Period (PKRbn)	2022	4q/22	3q/22	2q/22	1q/22	2021	4q/21	3q/21	2q/21	1q/21	2020
Net Interest Income	66.7	21.3	17.9	15.0	12.5	45.6	10.9	11.7	12.2	10.8	48.4
Fee Income	8.1	2.2	2.0	1.8	2.1	6.8	1.9	1.7	1.6	1.6	5.4
Treasury Income	11.2	0.9	3.5	4.8	2.0	8.5	2.0	2.0	2.2	2.2	6.7
Non-Interest Income	20.7	4.3	5.6	6.7	4.1	15.9	4.2	3.8	4.1	3.8	12.5
<b>Total Revenue</b>	<b>87.4</b>	<b>25.6</b>	<b>23.5</b>	<b>21.6</b>	<b>16.6</b>	<b>61.5</b>	<b>15.1</b>	<b>15.5</b>	<b>16.3</b>	<b>14.6</b>	<b>61.0</b>
<b>Op. Exp.</b>	<b>(41.0)</b>	<b>(11.6)</b>	<b>(10.6)</b>	<b>(10.0)</b>	<b>(8.9)</b>	<b>(33.9)</b>	<b>(8.9)</b>	<b>(8.4)</b>	<b>(8.5)</b>	<b>(8.1)</b>	<b>(30.6)</b>
<b>Provision charge</b>	<b>0.3</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>0.5</b>	<b>0.3</b>	<b>0.8</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>(0.8)</b>
Profit Before Tax	46.6	13.6	12.9	12.1	8.0	28.4	6.4	7.3	8.0	6.7	29.5
Tax	(25.4)	(5.0)	(7.2)	(10.0)	(3.2)	(11.1)	(2.2)	(3.0)	(3.3)	(2.7)	(11.5)
<b>Profit After tax</b>	<b>21.19</b>	<b>8.6</b>	<b>5.7</b>	<b>2.1</b>	<b>4.8</b>	<b>17.3</b>	<b>4.2</b>	<b>4.3</b>	<b>4.7</b>	<b>4.0</b>	<b>18.0</b>
EPS	18.51	7.5	5.0	1.8	4.2	15.1	3.7	3.8	4.1	3.5	15.7
DPS	8.5	2.5	2.0	2.0	2.0	8.0	2.0	2.0	2.0	2.0	8.0
BVPS	111.9	105.5	108.9	109.5	112.6	111.1	111.1	112.9	112.2	109.6	114.9

Source: Company accounts, IGI Research, No. of shares: 1,145.1mn

### Analyst

Abdullah Farhan

[Abdullah.Farhan@igi.com.pk](mailto:Abdullah.Farhan@igi.com.pk)

Tel: +92 21 111 234 234 Ext: 912

Aariz Raza

[Aariz.Raza@igi.com.pk](mailto:Aariz.Raza@igi.com.pk)

Tel: +92 21 111 234 234 Ext: 810

# Important Disclaimer and Disclosures

**Research Analyst(s) Certification:** The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

**Disclaimer:** The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution.

**Rating system:** IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

## Recommendation Rating System

Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

**Risk:** Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

**Basic Definitions and Terminologies used:** **Target Price:** A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2022 IGI Finex Securities Limited

## Contact Details

### Equity Sales

Faisal Jawed Khan	Head of Equities	Tel: (+92-21) 35301779	faisal.jawed@igi.com.pk
Zaeem Haider Khan	Regional Head (North)	Tel: (+92-42) 38303559-68	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrugh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrugh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Zaid Farook	Branch Manager (Stock Exchange) Karachi	Tel: (+92-21) 32462651-52	zaid.farook@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

### Research Team

Saad Khan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 810	saad.khan@igi.com.pk
Abdullah Farhan	Senior Analyst	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Aariz Raza	Analyst	Tel: (+92-21) 111-234-234 Ext: 810	Aariz.raza@igi.com.pk

### IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: [www.igisecurities.com.pk](http://www.igisecurities.com.pk)

#### Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,  
Khayaban-e-Jami Block-09, Clifton, Karachi-75600  
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234  
Fax: (+92-21) 35309169, 35301780

#### Stock Exchange Office

Room # 134, 3rd Floor, Stock Exchange Building,  
Stock Exchange Road, Karachi.  
Tel: (+92-21) 32429613-4, 32462651-2  
Fax: (+92-21) 32429607

#### Lahore Office

Shop # G-009, Ground Floor,  
Packages Mall  
Tel: (+92-42) 38303560-69  
Fax: (+92-42) 38303559

#### Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,  
Block- B, Jinnah Avenue, Blue Area  
Tel: (+92-51) 2604861-2, 2604864, 2273439  
Fax: (+92-51) 2273861

#### Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The  
Regency International 949, The Mall  
Faisalabad  
Tel: (+92-41) 2540843-45

#### Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,  
Model Town, Town Hall Road  
Tel: (+92-68) 5871652-3  
Fax: (+92-68) 5871651

#### Multan Office

Mezzanine Floor, Abdali Tower,  
Abdali Road  
Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2022 IGI Finex Securities Limited